

ESG Viewpoint: Standard Chartered

RepRisk interviews Simon Connell, Senior Manager, Risk Framework and Engagement

Standard Chartered is a British multinational banking and financial services company headquartered in London and operating in markets across Asia, Africa, and the Middle East. It has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 Index.

Simon Connell has over eight years of experience in risk management. He joined Standard Chartered in 2013 as part of the Environmental and Social Risk Management team. Prior to this, Mr. Connell held several positions within Lloyds Banking Group in London, of which the latest was Senior Manager in Environmental and Reputational Risk.



RepRisk: How does Standard Chartered view ESG risks in the context of other risks, for example reputational, compliance, and financial risks?

Simon Connell: Environmental and social risks have a clear linkage to credit risk; environmental or social incidents or a loss of social license to operate can impair a client's ability to meet their repayment obligations.

Beyond this, there is a significant and increasing reputational risk for banks to be associated with companies that are causing harm to the environment or to communities. Managing this reputational risk requires significant effort; both in undertaking due diligence and monitoring to understand allegations made against companies and projects, as well as in creating consistent requirements for clients which will guide internal decision-making. At Standard Chartered, we achieve this by publishing twenty [Position Statements](#) which cover both sectors and thematic issues, outlining our approach and aspirations.

RR: How does your department use the RepRisk ESG Risk Platform in its day-to-day work? What do you see as the main benefits of the Platform?

SC: We use the RepRisk Platform during our initial client and transaction due diligence, to determine if there are any areas of concern which can help inform and target our review. This also includes the use of the Platform for monitoring, to identify emerging issues.

One of the greatest benefits of the Platform is the breadth of coverage it offers of companies and projects. We also value the detailed filters, which allow trends to be identified and specific information to be brought to the fore. RepRisk also offers a "reality check" to company-provided information, to help us determine how successfully a company's policies are being implemented.

RR: Which key ESG issues/topics has your department focused on in the last year? What ESG trends do you see on the horizon?

SC: With a diverse geographic and sectoral client portfolio, it is fair to say we see a very diverse range of issues. To pick just a couple of topics where we have recently made progress:

The Bank recently released an updated Position Statement on Energy and Climate Change; this lays out the steps we are currently taking with our clients in the energy industry to play our part in addressing climate change and promoting alignment with the COP21 agreement in Paris.

We also released a Position Statement on Human Rights; this brings together in one place our statement of commitment to respecting human rights, and a number of the resources and approaches we use to achieve this in practice.

Both of the above issues are multi-faceted and complex, and the expectations of all companies, including those in the financial services sector, are evolving. Our approaches will develop to reflect this, and in particular we are undertaking significant internal work on climate change focusing on our approach in other industry sectors.

RR: On a lighter note, would you like to highlight any interests you have outside of your professional life?

SC: I am a keen cyclist, with most of my mileage coming from commuting to work or pulling my children in a trailer at the weekend. I'm a passionate advocate of getting more people cycling and am proud to advise the board of Cycling UK, the UK's largest cycling charity, on financial matters.